

111TH CONGRESS
1ST SESSION

S. 927

To amend the Securities Exchange Act of 1934 to enhance oversight of nationally recognized statistical rating organizations, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 29, 2009

Mr. PRYOR introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Securities Exchange Act of 1934 to enhance oversight of nationally recognized statistical rating organizations, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Credit Rating Agency
5 Responsibility Act of 2009”.

6 **SEC. 2. OVERSIGHT OF NATIONALLY RECOGNIZED STATIS-**
7 **TICAL RATING ORGANIZATIONS.**

8 Section 15E of the Securities and Exchange Act of
9 1934 (15 U.S.C. 78o–7) is amended—

10 (1) by adding at the end the following:

1 “(f) OVERSIGHT OF NATIONALLY RECOGNIZED STA-
2 TISTICAL RATING ORGANIZATIONS.—

3 “(1) GENERAL OVERSIGHT RESPONSIBILITY.—

4 The Commission shall conduct an annual audit of
5 each nationally recognized statistical rating organi-
6 zation registered under this section (in this section
7 referred to as an ‘NRSRO’).

8 “(2) AUDITS REQUIRED.—The Commission
9 shall audit the credit rating procedures and meth-
10 odologies of each NRSRO to assure that—

11 “(A) the NRSRO is sufficiently disclosing
12 its rating procedures and methodologies;

13 “(B) the rating methodologies of the
14 NRSRO are sound; and

15 “(C) the NRSRO is adhering to its rating
16 procedures and methodologies.

17 “(3) ANNUAL REPORT.—Each NRSRO shall
18 furnish to the Commission an annual report describ-
19 ing—

20 “(A) its internal reviews of its rating pro-
21 cedures and methodologies;

22 “(B) how well the NRSRO adheres to its
23 rating procedures and methodologies;

24 “(C) how the NRSRO manages conflicts of
25 interest and complies with the securities laws;

1 “(D) a narrative response agreeing or dis-
2 agreeing with the audit results of the Commis-
3 sion; and

4 “(E) a signed statement by a duly author-
5 ized senior executive officer of the NRSRO cer-
6 tifying the accuracy of all statements, represen-
7 tations, and supporting information provided.”;
8 and

9 (2) in the section heading, by inserting “**AND**
10 **OVERSIGHT**” after “**REGISTRATION**”.

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